



THE SECRETARY OF THE NAVY
WASHINGTON DC 20350-1000

March 22, 2021

The Honorable Elaine G. Luria
U.S. House of Representatives
Washington, DC 20515

Dear Representative Luria:

Thank you for your letter dated February 24, 2021, outlining your concerns regarding the Naval Audit Service (NAS).

The Department of the Navy (DON) values the importance of independent assessments and audits. While mindful of the value of the work performed in these areas, the Department is also concerned about the size and cost of organizations that perform a variety of overlapping audits, inspections, and investigations, including the NAS, the DON, and Department of Defense Office of Inspector General (DoD OIG), the Naval Criminal Investigative Service, DoD OIG-contracted Independent Public Accountant firms performing financial statement audits, and the Government Accountability Office.

In light of the overlapping work performed by these various entities, and in an effort to meet other immediate critical needs, the Department determined that employees currently serving in the NAS could be more effectively utilized across the entire DON. While the decision to reshape the workforce will reduce the number of employees assigned within the NAS, the NAS remains a critical oversight activity of the Department. The NAS will perform targeted program audits of interest for the Secretary of the Navy, focusing on areas of largest impact to the DON mission that, consequently, provide the largest returns on investment.

It is our intent to reshape our workforce and align NAS employees to other more critical needs within the DON. We do not anticipate any current NAS employee being separated from federal government service, and we intend to hold "Town Hall" meetings with NAS employees to keep them informed as we move through this reshaping effort.

The DON is fully committed to our audit and oversight mission, and we will continue to pursue this important effort for the benefit of our Sailors, Marines, and civilian personnel, as well as for our taxpayers. Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Harker", is located below the word "Sincerely,".

Thomas W. Harker
Acting